



বিদ্যাসাগর বিশ্ববিদ্যালয়
VIDYASAGAR UNIVERSITY

Question Paper

B.Sc. Honours Examinations 2020

(Under CBCS Pattern)

Semester - V

Subject: ECONOMICS

Paper: C12T

(Public Economics)

Full Marks : 60

Time : 3 Hours

Candidates are required to give their answer in their own words as far as practicable.

The figures in the margin indicate full marks.

Answer any **three** from the following questions :

3×20

1. Define Ability to pay principle. Describe its assumptions. Explain that the Ability to pay principle leads to progressive taxation. 4+6+10
2. Distinguish between direct tax and indirect tax. Briefly explain the impact of income tax on savings through indifference curve analysis. 5+15
3. Define public debt. Briefly explain the effects of public debt on the economy. Explain different internal and external sources of public debt. 3+8+5+5

4. Distinguish between public good and private good. Discuss the nature of market failure in case of pure public good. 8+12
5. Distinguish between incidence of tax and burden of tax. Explain the nature of incidence of an unit tax in a perfectly competitive market under the conditions when : (i) the demand curve is perfectly elastic and the supply curve is positively sloped. and (ii) the supply curve is perfectly elastic and the demand curve is negatively sloped. 6+7+7
6. Distinguish between positive externality and negative externality in production and consumption. Describe how Ronalds Coase offered solution to the problem of negative externality through property rights. 10+10
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